



U.S. Industrial Vacancy Rates Across Newer, Larger Properties Begins to Compress

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ARLINGTON, Va.--(BUSINESS WIRE)--Jun. 16, 2026-- Demand for newer U.S. industrial properties over 500,000 square feet has allowed vacancy rates to contract over the last few quarters, according to data from [CoStar](#), the leading global provider of online real estate marketplaces, information and analytics in the property markets.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20260616437903/en/>



Vacancy for the largest and newest properties has started compressing

While larger properties are seeing lower vacancy levels, new supply across mid-size and smaller warehouses, including new builds within the last five years and older existing properties, are putting pressure on the metric.

"Large logistics occupiers have returned to the market since the latter half of 2025, and a significant amount of absorption was driven by the delivery of build-to-suit properties," said Juan Arias, national director of industrial analytics at CoStar Group. "While leasing activity has held up, average lease terms have compressed from around 7 years in 2022 to 5 years today for the largest leases. These shifts reflect a combination of supply chain volatility, evolving trade dynamics, and changing consumer demand, all of which have increased the perceived risk of long-term commitments. In response, tenants are favoring shorter lease terms that offer greater flexibility to adjust their footprints as business conditions evolve."

Vacancy rates vary by size range and region, with overall availability for small-bay properties at 6.4% – well below the 10.9% rate for the broader logistics market. Steady leasing activity combined with historically limited construction, has kept vacancy rates in check across this segment in recent years, however, elevated economic uncertainty has weighed on small-business expansion plans over the past year, with direct implications for demand, particularly for newly delivered space.

Among major markets, Phoenix and Austin, which have seen more meaningful small-bay supply additions over the last few years, continue to hold higher vacancy rates for the segment.

For newer properties built in the last five years and larger than 200,000 square feet, supply is taking longer to digest, particularly for mid-sized properties. Vacancy rates for new logistics properties are at the highest levels since 2006, except for the largest property segment of over 500,000 square feet.

For more information about the company and its products and services, please visit costargroup.com.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 131 million average monthly unique visitors in the first quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

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